SOCIAL SERVICES CENTRAL TRUST ACCOUNT

FINANCIAL STATEMENTS

For the Year Ended March 31, 2002

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

July 25, 2002

The Honourable C. Hagel
Minister of Social Services
Room 346, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

Re: Social Services Central Trust Account
Financial Statements

We enclose the financial statements of the Social Services Central Trust Account for the year ended March 31, 2002 and our report on these financial statements.

Yours truly,

Fred Wendel, CMA, CA
Provincial Auditor

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Enclosure

cc: The Honourable E. Cline, Chair, Treasury Board
Mr. R. Styles, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Department of Finance
Mr. W. R. Duncan, Director of Financial Services Branch, Social Services
Ms B. Durnford, Deputy Minister, Social Services

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102-07066/

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for beneficiaries of the Social Services Central Trust Account as at March 31, 2002 and the statement of changes in net assets available for beneficiaries for the year then ended. The Trust Account's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for beneficiaries of the Social Services Central Trust Account as at March 31, 2002 and the changes in its net assets available for beneficiaries for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
June 5, 2002

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFICIARIES
As at March 31

	Armour Trust	Balison Trust	Total 2002	Total 2001
ASSETS				
Due from General Revenue Fund (Note 3)	$ 57,284	$ 78,179	$ 135,463	$ 145,990
Accrued interest	251	340	591	2,050
Accounts receivable	—	—	—	13,932
	$ 57,535	$ 78,519	$ 136,054	$ 161,972
LIABILITIES	—	—	—	—
Net assets available for beneficiaries (Statement 2)	$ 57,535	$ 78,519	$ 136,054	$ 161,972

(See accompanying notes to the financial statements)

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFICIARIES
Year Ended March 31

	Armour Trust	Belison Trust	Total 2002	Total 2001
Increase in assets				
- Interest	$ 863	$ 3,566	$ 4,429	$ 9,750
- Estate distributions	42,500	—	42,500	2,250
Decrease in assets				
- to or on behalf of children	(4,172)	(68,675)	(72,847)	(40,446)
Net increase (decrease) in assets	39,191	(65,109)	(25,918)	(28,446)
Net assets available for beneficiaries, beginning of year	18,344	143,628	161,972	190,418
Net assets available for beneficiaries, end of year (to Statement 1)	$ 57,535	$ 78,519	$ 136,054	$ 161,972

(See accompanying notes to the financial statements)

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2002

1. Authority and Purpose of Trust

The Social Services Central Trust Account was established under Section 13 of *The Department of Social Services Act.*

In accordance with Section 15 of *The Department of Social Services Act,* the Department administers funds received from the Armour and Balison Estates.

The Armour Trust has a 1/4 interest in the Armour Estate. Canada Trust is the executor and therefore administers the Armour Estate. The Armour Estate owns a ½ interest in real estate situated between the Regina city limits and the IPSCO steel mill. The land is presently rented for farming purposes. The Armour Trust receives its share of farm land rent from the Armour Estate. The trust funds are held on behalf of Dales House, an institution operated by the Department of Social Services.

At March 31, 2002 the Armour Trust's share of the fair market value of assets in the Armour Estate consisted of cash and short-term notes $14,391 (2001 - $44,432), and real estate $18,100 (2001 - $18,100).

The Balison Trust consisted of income from and sales proceeds of property held by the Balison Estate. Canada Trust was the executor for the Balison Estate and has distributed all of the assets to the beneficiaries. The trust funds administered by Social Services are held on behalf of the Saskatchewan Youth in Care Network.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Estate distributions to the trusts are recorded as an increase in Net assets available for beneficiaries in the period they are distributed.

3. Due from General Revenue Fund

The trust funds are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Interest earned is calculated and paid by the General Revenue Fund on a quarterly basis into the Trust's bank account using the Government's 30 day borrowing rate and the Trust's average daily bank account balance. The Government's average thirty day borrowing rate for the year is 3.5% (2001 – 5.6%).

4. Related Party Transactions

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by the Department of Social Services' appropriation.

5. Financial Instruments

Financial instruments consist of amounts due from General Revenue Fund, accrued interest and accounts receivable. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The fair value of these instruments approximates carrying value due to their immediate or short-term maturity.